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GOVERNMENT OF INDIA
PLANNING COMMISSION

REAPPRAISAL
OF THE
SECOND FIVE YEAR PLAN
A RESUME

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SECOND FIVE YEAR PLAN
A RESUME'

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REAPPRAISAL OF THE SECOND FIVE YEAR PLAN: A RESUME

A year ago, Parliament considered the Second Five Year Plan in relation to the current economic situation. At that time several aspects of the problem of rephasing the Plan could not be clearly visualised and only rough indications were possible. During the months that followed, the Planning Commission was engaged in the further study of the subject and, after considering various developments which had taken place, submitted to the National Development Council and to Parliament early in May 1958, a *Memorandum on the Appraisal and Prospects of the Second Five Year Plan.* In this Memorandum, the Planning Commission reviewed the achievements of the first two years of the Second Plan and the targets for the third year and also attempted to estimate the likely trends and requirements for the last two years of the Plan. Amongst other things, the Memorandum pointed out that on current trends the total resources for the plan period were likely to aggregate to Rs. 4260 crores for the plan period as a whole. If the Plan were to be pruned to this level, the effects on the economy would be undesirable in many ways. Besides a large cut in programme for social services and decline in the rate of growth of production and employment, the structure of allocations under the Plan would also be upset. The Planning Commission, therefore, urged that at the minimum the level of outlay actually to be incurred should not be allowed to fall below Rs. 4500 crores and the gap in resources. which was of the order of Rs. 240 crores. should be filled through greater internal effort.

2. The National Development Council adopted a resolution under which projects and programmes to be undertaken within the ceiling of Rs. 4800 crores were to be divided into two parts. Part 'A' of the Plan involving a total outlay of Rs. 4500 crores was to include, besides projects and programmes directly related to increase in agricultural production, 'core' projects and projects which had reached an advanced stage and other inescapable schemes. The remaining schemes were to be included in Part 'B' of the Plan with a total outlay of Rs. 300 crores. Part 'A' of the Plan thus represented a level of outlay up to which, on the present assessment of resources, commitments could be entered into for the rest of the plan period. Projects in Part 'B' of the Plan could be undertaken to the extent to which additional resources became available. Further discussions were to be held with Central Ministries and State Governments

regarding the specific projects to be included in the two parts of the Plan.

The National Development Council also expressed the view that in working out the distribution care should be taken to ensure that the needs of the less developed areas were given due consideration and that high priority was given to social services and the community development programmes. It was further agreed that the Centre and the States should endeavour to raise resources to the maximum extent possible through additional taxation, mobilisation of small savings and achieving economies in plan and non-plan expenditure.

3. This resumé sets out briefly the developments which have taken place since May 1958 as well as the results of the further examination which has been so far carried out. It is in the nature of an interim report since the programme for increasing financial resources during the last two years of the Plan will be under discussion until the middle of October in a series of meetings with State Chief Ministers and Finance Ministers and in respect of the foreign exchange problem it will still be some time before it becomes possible to take a clearer view. The results of the discussions with the States and Ministries are expected to be placed before the National Development Council early in November 1958.

4. Following the meeting of the National Development Council in May 1958, the main conclusions reached were:—

(1) In view of the fact that Part 'A' of the Plan was proposed to be limited to a total outlay of Rs. 4,500 crores, no commitments should be accepted by Central Ministries and State Governments without specific reference to the Planning Commission in regard to any project which has not yet been begun;

(2) Plans drawn up for the States for 1958-59 should be implemented, provided each State ensured that the resources which it had agreed to find during the year were forthcoming and subject to any specific suggestions that might be made with reference to the merits or urgency of any particular project;

(3) With a view to reducing the gap of Rs. 240 crores State Governments should work out fresh estimates of financial resources likely to be available for their plans for the two years 1959—61. In preparing these estimates, they should examine the scope for raising resources beyond the level agreed to in 1955 when the Second Plan was drawn up;

(4) States should draw up lists of projects included in their plans which have not been begun yet or on which comparatively small outlays have been incurred and to arrange these in some broad order of priority;

(5) Discussions should be held with the various Ministries regarding the allotments suggested by the Planning Commission in its Memorandum.

5. The information furnished in this paper is divided for convenience into the following sections:—

I Changes in allocations proposed by the Planning Commission;

II Results of discussions with Central Ministries regarding allocations;

III Internal resources;

IV External resources;

V Changes in Plan targets in relation to reappraisal.

I

Changes in allocations proposed by the Planning Commission

6. The Planning Commission's Memorandum reviewed the allotments for different sectors in two stages. It considered first the changes required if the total outlays on the Plan were maintained at Rs. 4,800 crores despite the increase in estimates of internal and foreign exchange costs. The acceptance of the ceiling of Rs. 4,800 crores itself meant some lowering of the physical targets. The changes involved are summarised in Table I.

TABLE I

Original and Revised Allocations

(Rs. Crores)

	Original				Revised			
	Centre	States including Union Territories	Total	Percent of total	Centre	States including Union Territories	Total	Percent of Total
1. Agriculture & Community Development	65	503	568	11·8	65	503	568	11·8
2. Irrigation & Power	105	808	913	19·0	72	788	860	17·9
3. Village and Small Industries	80	120	200	4·2	60	140	200	4·2
4. Industries and Minerals	667	23	690	14·4	857	23	880	18·4
5. Transport and Communications	1,203	182	1,385	28·9	1,181	164	1,345	28·0
6. Social Services	396	549	945	19·7	321	542	683	18·0
7. Miscellaneous	43	56	99	2·0	37	47	84	1·7
TOTAL	2,559	2,241	4,800	100·0	2,593	2,207	4,800	100·0

7. If the total outlay on the Plan were to be limited to Rs. 4,500 crores, the allocations proposed in the Memorandum for different sectors were expected to be as shown in Table II.

TABLE II

Allocations and Outlays by Major Heads of Development

(Rs. crores)

	Allocations as originally made in the Plan	Percent of total	Revised allocations (to accommodate the higher cost of some projects within the ceiling of Rs. 4800 crores)	Percent of total	Outlays now proposed to correspond with the resources position	Percent of total
	1	2	3	4	5	6
1. Agriculture & Community Development	568	11·8	568	11·8	510	11·3
2. Irrigation & Power	913	19·0	860	17·9	820	18·2
3. Village & Small Industries	200	4·2	200	4·2	160	3·6
4. Industries & Minerals	690	14·4	880	18·4	790	17·5
5. Transport & Communications	1,385	28·9	1,345	28·0	1,340	29·8
6. Social Services	945	19·7	863	18·0	810	18·0
7. Miscellaneous	99	2·0	84	1·7	70	1·6
TOTAL	4,800	100·0	4,800	100·0	4,500	100·0

The aspect which caused special concern to the National Development Council in regard to these allocations was the impact they

were likely to produce on the plans of States. The distribution of the proposed allotments between the Centre and the States for the first three years of the Plan and for the two closing years is set out in detail in Statement I attached to this paper.

8. The effect of the proposed allocations as between the Centre and the States is shown in the following summary statement:—

(Rs. crores)

	Total	Centre	States	Provision for Union Territories included in (4)
1	2	3	4	5
1. Five Year Plan allocations (Original)	4,800	2,559	2,241	70
2. Five year Plan allocations (Revised)	4,800	2,593	2,207	70
3. Anticipated outlays for 1956-61	4,500	2,452	2,048	60
4. Anticipated outlays for 1956-59	2,456	1,394	1,062	30
5. Allocations for 1959-61 (2-4)	2,344	1,199	1,145	40
6. Anticipated outlays for 1959-61 (3-4)	2,044	1,058	986	30

It may be mentioned that in the changes briefly outlined above, while allowing for unavoidable increases in the provision for Industries and Minerals, the general structure of allocations remains broadly the same as in the Plan and adjustments have been kept to the minimum. Secondly, even within the Plan outlay of Rs. 4,500 crores, the level of expenditure in the States during the two years 1959-61 is set at an appreciably higher level than in the first three years of the Plan. In the third place, as a necessary corollary to the implementation of the annual plans for 1959-60 and 1960-61, marginal variations are to be expected in the allotments between different heads of development to meet the actual needs which might be assessed at the time for individual States or Union Territories or in relation to important projects.

It will be some time before details of projects which will fall outside Part 'A' of the Plan can be finally determined. Lists of State projects referred to earlier have been received so far from some State Governments. Decisions in regard to individual State projects will be taken on the occasion of the annual Plan discussions. Statement V mentions particulars of the principal projects in the Irrigation and Power sector on which the expenditure incurred during the first three years of the Plan will be comparatively small or nil. Statement VI provides information for the principal Central projects in the Industry and Transport sector on which comparatively little or no expenditure is expected to be incurred during the Second Plan.

II

Results of discussions with Central Ministries regarding allocations proposed in the Memorandum

9. Since the meeting of the National Development Council in May, the allocations proposed for different sectors have been reviewed in discussions with most of the Central Ministries. The increased allotments now urged at the Centre for the five year period and for 1959-61 are shown in Table III below:

Table III

Allotments for Central Schemes

(Rs. crores)

	Allotments for 1956-61		Allotment for 1959-61	
	According to Planning Commission's Memorandum	According to recent discussions	According to Planning Commission's Memorandum	According to recent discussions
1. Agriculture and Community Development	54	56	23	25
2. Irrigation & Power	63	75	27	39
3. Village & Small Industries	55	67	7	19
4. Industries & Minerals	775	867	363	455
5. Transport & Communications	1,177	1,185	474	482
6. Social Services	298	298	152	152
7. Miscellaneous	30	33	12	15
Total	2,452	2,581	1,058	1,187

It will be seen that the total addition to the outlays in the Memorandum proposed at the Centre during the recent discussions amounts to Rs. 129 crores. The main increases pertain to Industries and Minerals and are set out in Statement II appended to this paper. Besides these, there are few proposals which have still to be considered (such as those relating to the expansion of technical education.). Thus, the total additional outlay needed at the Centre would be of the order of Rs. 150 crores. In other words, if the outlay on State plans were maintained at the level envisaged in the Memorandum and the allotments suggested by the Ministries were to be made, even Part 'A' of the Plan might involve a total expenditure of the order of Rs. 4,650 crores.

III

Internal Resources

10. In the Memorandum, the estimates of financial resources for the last two years of the Plan was shown at Rs. 1,804 crores and that for the five years at Rs. 4,260 crores. Between the minimum outlay

target of Rs. 4,500 crores and the estimated resources, there was thus a gap of Rs. 240 crores. As mentioned earlier, discussions held with the Ministries since the publication of the Memorandum show that it will be extremely difficult to contain their unavoidable demands within an aggregate outlay of Rs. 4,500 crores. On an overall view, having regard to possible shortfalls in expenditure and changes in estimates under individual heads the gap in financial resources may thus be of the order of Rs. 300 to Rs. 350 crores rather than of Rs. 240 crores mentioned in the Memorandum. This represents the order of additional effort that has to be put in during the remaining period of the Plan for raising internal resources. In view of the efforts which have been and are being made to obtain foreign exchange resources, the Central problem in the present reappraisal of the Plan is the magnitude of internal resources which can be raised during the rest of the plan period. In this respect the estimates given in the Memorandum are still broadly valid. These are summarised in Table IV below:

TABLE IV

(Rs. crores)

	Estimates for the first three years	Estimates for the last two years	Additional effort suggested	Estimates for the last 2 years including resources to be raised through additional effort	Estimates for the five year period on the basis of columns 2 & 3	Estimates for the five year period including addiional effort as indicated in col. 4	Estimates as given in the Plan
1	2	3	4	5	6	7	8
I. Domestic Budgetary Resources.							
(*a*) Balance from current revenues	439	320	140	460	759	899	1,200*
(*b*) Railways' contribution	129	121	..	121	250	250	150
(*c*) Loans and Small savings	544	440	60	500	984	1,044	1,200
(*d*) Un funded debt and miscellaneous capital receipts	(—) 11	40	40	80	29	69	250
Total (*a to d*)	*1,101*	*921*	*240*	*1,161*	*2,022*	*2,262*	*2,800*
II. External Assistance	438	600	..	600	1,038	1,038	800
III. Deficit Financing	917	283	..	283	1,200	1,200	1,200
IV.—Total Resources Outlay	*2,456*	*1,804*	*240*	*2,044*	*4,260*	*4,500*	*4,800*

*Rs. 800 crores as per original scheme *plus* Rs. 400 crores gap to be filled mainly through taxation.

11. The recent improvement in receipts from market loans is a favourable development which has occurred since the Planning Commission's Memorandum was prepared. In the Memorandum, the estimate of net receipts from 'loans from the public' for the current year was taken at Rs. 137 crores—Rs. 125 crores in respect of the Centre and Rs. 12 crores in respect of the States. Actual borrowings have been higher. Gross borrowings of the Centre in May this year amounted to Rs. 142 crores. Recently, the Central Government issued two more loans for a total amount of Rs. 60 crores. Allowing for conversion and repayments of maturing loans, aggregate net borrowings by the Centre over the year work out at Rs. 182 crores. Net receipts of State Governments from loans from the public are estimated at Rs. 43 crores as against Rs. 12 crores given in the Memorandum. The total borrowings of the Centre and the States in the current year are thus expected to work out at about Rs. 225 crores as against the figure of Rs. 137 crores given in the Memorandum.

12. Two other aspects to which attention might be invited are the collections under small savings during 1957-58 and the estimate of the five-year yield from additional taxation in the States.

Actual collections of small savings in 1957-58 are now placed at Rs. 69·6 crores as against the earlier estimate of Rs. 55 crores. In the first four months of the current year, the net receipts have not been encouraging but it is hoped that the collections will improve in the later months.

The estimate of the five-year yield from fresh measures of taxation taken by the States in the first three years was shown in the Memorandum at Rs. 172·9 crores. In the light of further data that have become available, this estimate is placed at Rs. 194·8 crores. The State-wise estimates as indicated in the Memorandum and as worked out now are given in Table V below.

TABLE V

(Rs. crores)

State	Estimates as given in the Memo-randum	Estimates as worked out now	Original target of additional taxation as given in the Plan
1. Andhra Pradesh	17·2	18·7	11·0
2. Assam	..	..	5·0
3. Bihar	12·8	12·7	27·0
4. Bombay	9·0	22·5	23·0

[Rs. crores]

State	Estimates as given in the Memorandum	Estimates as worked out now	Original target of additional taxation as given in the plan
5. Kerala	12·0	11·9	9·0
6. Madhya Pradesh	11·2	10·9	23·0
7. Madras	16·0	19·0	13·0
8. Mysore	11·4	12·8	9·0
9. Orissa	11·7	5·7	8·0
10. Punjab	15·6	15·8	23·0
11. Rajasthan	10·4	10·7	9·0
12. Uttar Pradesh	31·3	28·0	46·0
13. West Bengal	12·9	25·4	15·0
14. Jammu & Kashmir	1·4	0·7	..
TOTAL	172·9	194·8	221·0*

13. To meet the gap in resources over the next two years calls for a large effort both in the States as well as at the Centre. In the case of the States, this effort is crucial to the maintenance of State plan outlays even at the level envisaged in the Memorandum. With this in view, the Planning Commission has urged upon State Governments to consider carefully once again in the light of the present conditions the recommendations for State and local taxation which were made by the Taxation Enquiry Commission. States have also been requested to enlarge their receipts from:—

(i) assessment and recovery of betterment fees,

(ii) special assessment on agricultural lands used for non-agricultural purposes and agricultural lands which have acquired an urban character on account of particular development projects or general economic development,

*Out of Rs. 225 crores for all States together, the target for the re-organised States works out roughly to Rs. 221 crores. It should be added that the individual targets shown here have not been discussed and finalised with the Governments of the re-organised States.

(iii) existing taxes, especially sales tax, on property and excise duties through improvements in collections, and

(iv) recovery of arrears of taccavi and other loans.

14. States have also been requested to intensify the small savings movement and to achieve reductions in non-plan expenditure and economies in plan expenditure, especially in construction. It may be mentioned that since the estimates of resources to be raised by States were first worked out during 1955, transfers from the Centre to the States under the Finance Commission's award are expected to amount over the plan period to Rs. 150 crores. The Plan left an uncovered gap of Rs. 400 crores which, it was agreed, should be met through a larger domestic effort both at the Centre and in the States, mainly in the form of additional taxation. This, along with the increases in non-plan expenditure which have taken place and the need to maintain expenditures on social services, places on the States the obligation of raising larger resources than had been visualised in the Plan. Accordingly, the target suggested for the next two years to States for raising additional resources above the level indicated by current trends is Rs. 140 crores, which comprises Rs. 60 crores under additional taxation, Rs. 50 crores under loans and small savings and Rs. 30 crores under economies in non-Plan expenditure.

IV

External Resources

15. The Memorandum on the reappraisal of the Plan pointed out that as compared to the original estimate of Rs. 1100 crores, the aggregate deficit over the plan period was likely to be about Rs. 1700 crores. The further requirements of foreign exchange for the last three years of the plan period over and above the amounts of foreign aid authorised but still to be utilised were assessed at Rs. 500 crores. Since the publication of the Memorandum, these requirements have been re-estimated at about Rs. 560 crores. Both the figures mentioned above represent gaps in the balance of payments on certain assumptions and consequently they are subject to change. The estimate of foreign exchange requirements for the rest of the plan period at Rs. 560 crores is based on the following assumptions:—

(1) Any imports of foodgrains in addition to normal marketing obligations in respect of wheat and those arising from the agreement with Burma in respect of rice are to be obtained under PL 480;

(2) Amounts of foreign exchange required for completing the 'core' of the Plan and for meeting the maintenance requirements of the economy are to be made available; and

(3) Every effort is to be made to maintain the sterling balances near the level of Rs. 200 crores.

16. The decline in foreign exchange reserves was reviewed at length in a document placed before Parliament in March 1958. It is, therefore, not necessary to review all the relevant facts afresh in this paper. It may be sufficient to recall that since the commencement of the Second Plan food imports have amounted to 2·4 million tons in 1956-57 and to 3·7 million tons in 1957-58, and are expected to exceed 3·5 million tons in 1958-59. The total value of food imports in the first two years was Rs. 259 crores, of which the amount covered under special agreements was Rs. 173 crores. Outstanding foreign exchange commitments stood at Rs. 990 crores at the end of September 1957 and at Rs. 888 crores at the end of March 1958. Of the latter, Rs. 547 crores were on Government account, Rs. 300 crores on private account and Rs. 41 crores for imports of iron and steel for use by both the public and the private sectors.

17. In view of the decline in foreign exchange reserves amounting to Rs. 221 crores in 1956-57 and Rs. 260 crores in 1957-58 a series of measures have been taken to curtail import licensing and to curtail Government demands. The total value of import licences issued during 1955 was Rs. 879 crores; this rose to Rs. 1322 crores in 1956, but was brought down during 1957 to Rs. 782 crores. For the half-year, October 1957 to March 1958, the value of import licences issued was Rs. 350 crores. The foreign exchange allocations for the half-year, April-September, 1958 are, with some limited exceptions, being extended to cover the period up to December 1958. Apart from imports of food, licensing for projects in the public and private sectors and defence needs, one important reason why the foreign exchange estimates in the Second Plan went wrong was that the maintenance requirements of the Indian economy, as it was developing, turned out to be larger than had been anticipated. This is further illustrated by the impact which recent cuts in foreign exchange allocations have produced already on the rate of growth of indigenous industrial production.

18. In the current policy governing the budgeting of foreign exchange, maintenance requirements in the economy are being given a high priority. In relation to the Plan it has been laid down that

foreign exchange allotments should be limited in the main to commitments which arise in relation to the 'core' projects *i.e.*, steel plants, coal mining, railways, and certain power projects. The list of 'core' projects is given in Statement IV appended to this paper. Outside the 'core', new commitments in foreign exchange are permitted only in respect of those projects which have advanced a long way towards completion and for projects whose entire foreign exchange cost is covered by foreign credits or investment and, under certain circumstances, by appropriate deferred payment arrangements. Including PL 480 and assistance for the private sector, the total amount of foreign exchange utilised during these two years amounted to Rs. 110 and Rs. 252 crores respectively. In addition to Rs. 132 crores of external assistance carried over from the First Plan fresh assistance amounting to Rs. 747 crores was authorised between April 1956, and April 1958, the total assistance available being Rs. 879 crores. Of this, on April 1, 1958, Rs. 517 crores had still to be utilised.

19. India's exports have been relatively static during recent years. Exports in manufactured goods take time to develop, while larger internal demands have to be met both for raw materials and for food products. Nevertheless, it has been recognised that the expansion of exports is vital to the tempo of development that can be secured and calls for sustained efforts and a degree of sacrifice on the part of the country. During the past year, a number of steps have been taken with a view to building up the drive for exports. These include the setting up of the several export promotion councils and the establishment of the Export Risks Insurance Corporation and of the Foreign Trade Board and the Directorate of Export Promotion in the Ministry of Commerce & Industry. Export quotas have been progressively liberalised and for as many as 200 items export control regulations were recently relaxed. Other items still subject to export control are under review. Most export duties have been abolished or substantially reduced, those still remaining being the duties on tea, hard cotton waste and manganese ore. In recent years, one of the main considerations in limiting exports of commodities, such as, groundnut oil, sugar, cement, raw cotton and cotton yarn has been the need to meet the requirements of internal consumption. Facilities have also been offered to exporters, for instance, in the form of liberal drawbacks of customs duty and rebates on excise duties and assistance in securing raw materials and component parts required for the manufacture of articles for export as well as rail priorities for the movement of goods intended for export and help in obtaining shipping space.

V

Changes in targets in relation to reappraisal

20. Estimates of physical targets in a plan of economic development are based on certain assumptions of (a) internal and external resources, (b) the administrative effort and the quality of implementation at the Centre and in the States, and (c) the extent to which manpower and other resources will be effectively utilised. These assumptions have to be kept under constant review and remedial action taken, where performance seems to lag behind. Some targets depend in greater degree on internal resources as, for instance, in the field of Social Services; some on the availability of foreign exchange as in Industry and Transport; and in respect of some, along with the financial resources provided, the organisational effort on the part of Government agencies and the people are the major determinants, as, for instance, in Agriculture. In varying degrees, each of these factors has influenced the assessment of physical targets set out in the Planning Commission's Memorandum. In turn, changes in output targets are reflected in the targets of national income and employment indicated in the Plan. These, however, are much more difficult to estimate with any precision.

Some of the more important targets in the Plan are reviewed briefly in this paper.

1. *Agriculture*

21. The Planning Commission's Memorandum drew attention to the fact that an increase of agricultural production by 2 to 2·5 per cent. per annum which has been so far achieved is not sufficient to support a large plan of economic development. The targets of agricultural production originally given in the Second Five Year Plan envisaged an increase in the production of foodgrains to the extent of 10 million tons. In consultation with State Governments, during September and October 1956, this target was raised to 15·5 million tons. The increased target depended in a special degree on local effort through panchayats and co-operatives towards the intensive employment of manpower resources and utilisation of local manurial resources. It was expected that the irrigation from new large and medium irrigation projects would be utilised without undue delay, that the minor irrigation programme would be worked as a people's programme and that, with a view to supplementing organic manures and green manures, supplies of chemical fertilisers in accordance with the Plan would be available. These assumptions have not all been borne out sufficiently. But, except in so far as supplies of chemical fertilisers are dependent upon the amounts of

foreign exchange that can be made available, there is no inherent reason why the effort should fall short of promise and the targets of agricultural production as revised in 1956 should not be realised. As explained in the Memorandum, in terms of production potential, the achievement in 1956-57 is assessed at 1·3 million tons and in 1957-58 at 2·3 million tons. It is expected that in 1958-59. the increase in production potential may be of the order of 3 million tons. Thus, over the three years 1956-59, the total increase in production potential may be less than one-half of the revised target for the plan period. Since the publication of the Memorandum, the Planning Commission and the Ministry of Food and Agriculture are jointly engaged in scrutinising the data underlying these estimates and seeking the means for intensifying the total effort. Along with the decline of 9·8 per cent. in food production in 1957-58 on account of unfavourable weather conditions these estimates do, however, stress the importance of implementing agricultural production programmes with the highest sense of urgency at every level in national life.

22. It is against this background that the rabi production campaign which is now being organised by State Governments in co-operation with the Ministry of Food & Agriculture, has been drawn up. Since early this year, the Planning Commission has followed up the question of utilising irrigation facilities in detail with individual State Government. Nine States were visited by the Programme Administration Advisers. Each State has now a machinery at State headquarters and for individual projects charged with the duty of accelerating the utilisation of irrigation facilities. Two senior engineers on behalf of the Central Water and Power Commission are engaged in visiting individual projects and examining in co-operation with the States the nature of the steps necessary for speedier fulfilment of irrigation targets, especially in those projects where irrigation potential had been created at storage reservoirs or diversion headworks. It is also proposed to provide in the reappraised Plan for an additional allotment of about Rs. 26 crores to facilitate completion of distributaries where storage has been established and for the extension of minor irrigation where this is a genuine people's programme and results are assured. As explained in the Memorandum, the programme for the full utilisation of irrigation supplies and for securing the maximum advantage from irrigation turns on the following principal items:—

(i) construction of field channels and other ancillary works needed for irrigation;

(ii) speeding up location of areas to be irrigated from certain projects;

(iii) introduction of legislation for making a compulsory charge from all persons whose lands are eligible for irrigation supplies;

(iv) organisation of demonstration plots, introduction of appropriate patterns and guidance in irrigated cultivation;

(v) arrangements for seed multiplication at the village level;

(vi) intensification of the campaign for green manuring; and

(vii) expediting the production of improved seed on farms for which land has already been obtained and speeding up the entire programme for the setting up of seed farms.

The attention of State Governments has been drawn to these items and the progress made is being kept under review.

2. *Irrigation and Power*:

23. The reduction in the total allocation for Irrigation and Power under the Plan from Rs. 913 to 832 crores is likely to affect the targets for irrigation as well as power. Having regard to the progress made so far and the funds likely to be available, it is anticipated that in place of the additional irrigation of 12 million acres envisaged in the Plan, large and medium projects are likely to provide additional irrigation of the order of 10·4 million acres. This modified target is subject to adequate supplies of steel being made available, since a number of irrigation projects are at present unable to obtain the quantities of steel which they require. The impact of the shortage of foreign exchange on the targets for power is likely to be quite marked. In the Second Plan, the target of additional capacity was proposed at 3·5 million Kw. of which 2·9 million Kw. were to be installed in the public sector, 300,000 Kw. in the private sector and 300,000 Kw. in industrial plants providing for their own generating capacity. It was recognised that even with the fulfilment of these targets, it would only be just possible to meet the anticipated demands from industrial and other users for which firm indications were then available. During the past two years, there has been a steadily increasing demand for power in a number of areas. It is, however, now anticipated that the additional power installed in the public sector may be about 2·5 million Kw., in the private sector 175,000 Kw. and in industrial establishments providing their own power 300,000 Kw., so that the total achievement may be about 3 million Kw, or about 0·5 million Kw. less than the additional capacity envisaged in the Plan. The shortage of power, itself a countrywide phenomonon, will affect some regions more severely than others. If the shortfall in the target for power is not to have an excessive effect on employment through small and

medium industries, from now on it will be necessary to regulate the non-industrial consumption of power in every urban area much more carefully than in the past.

3. *Industry and Minerals*

24. In the Second Plan the total investment envisaged for large-scale industries in the public and private sectors together was of the order of Rs. 1094 crores. In the public sector the amount allocated was Rs. 524 crores in addition to Rs. 60 to 65 crores provided for the National Industrial Development Corporation, of which Rs. 35 crores were to be set apart for new basic and heavy industries. For certain projects cost estimates had to be revised; for others provisions larger than those indicated in the Plan were necessary. Statement III indicates the changes in these estimates for the principal industrial projects in the public sector undertaken by the Central Government. As against the provision of Rs. 690 crores for industrial and mineral development schemes which was shown in the Plan and Rs. 790 crores mentioned in the Memorandum on the reappraisal of the Plan, the provision required after the recent discussions with the Central Ministries is Rs. 882 crores, of which Rs. 15 crores are for schemes in the States.

25. The Planning Commission's Memorandum indicated that 12 projects entailing a total outlay of Rs. 169 crores were expected to be completed during the early years of the Third Plan and 10 Central projects and a number of State projects involvinng investment of about Rs. 64 crores were likely to be deferred or substantially slowed down. Shortfalls are expected in the targets for certain industries, notably fertilisers, heavy castings and forgings. Since priorities for the allotment of foreign exchange had to be defined strictly, some projects outside the 'core' have had to be deferred or denied adequate amounts of foreign exchange. 'Core' projects alone entailed a total outlay of Rs. 1900 crores and foreign exchange expenditure of about Rs. 962 crores. The Memorandum has set out at length the main facts regarding the progress of industrial projects in the private sector. Here it will be sufficient to recall the general conclusion expressed in the Memorandum that on present estimates of foreign exchange resources available 70 to 75 per cent of the capacity targets mentioned in the Second Plan are likely to be achieved. Substantial shortfalls are anticipated in respect of aluminium, ferro-manganese, caustic soda and dyestuffs. The target for cement has been reconsidered in the light of developments since the commencement of the Plan. In the field of engineering industries there will be shortfalls in respect of structural fabrication and in respect of manufacture of machinery (except

sugar machinery), but the target for locomotives, wagons and bicycles will be achieved. Due to shortage of foreign exchange the targets for achieving self-sufficiency in several lines of manufacture are likely to suffer. With few exceptions the targets of capacity for consumer goods industries are expected to be secured.

26. As in the public sector, investment requirements of the private sector had to be revised upwards. The Plan had envisaged a total investment of Rs. 685 crores for industries in the private sector, of which Rs. 535 crores represented new investment and Rs. 150 crores replacements, with foreign exchange expenditure being estimated at about Rs. 320 crores. The total investment required increased by about Rs. 155 crores and foreign exchange costs by about Rs. 120 crores. It is anticipated that on programmes which have already been initiated, having regard to the amounts of foreign exchange likely to be available, the investment on new industries over the five year period may be about Rs. 475 crores and on modernisation and replacement programmes about Rs. 100 crores, making a total of Rs. 575 crores as compared to Rs. 685 crores envisaged in the Plan.

27. On mineral development schemes, as will be seen from Statement I appended to this paper, the provision now required is Rs. 110 crores in place of Rs. 85·5 crores indicated in the Planning Commission's Memorandum. The principal additions are in respect of coal from Rs. 28·4 to Rs. 40 crores and for oil exploration from Rs. 11·3 to Rs. 20 crores. In the target of 60 million tons for coal production by the end of the plan period, as mentioned in the Memorandum, there may be a shortfall of 3 to 4 million tons.

4. *Transport Communications*:

28. The progress of targets and the likely achievement in the Transport and Communications sector were indicated in the Planning Commission's Memorandum. The total outlay now proposed for transport and Communications is Rs. 1340 crores in place of Rs. 1385 crores given in the Second Five Year Plan. The revised estimate of traffic demand in 1960-61 is now 168 million tons as against 181 million tons mentioned in the Second Plan. Among the projects which are likely to be deferred are certain electrification schemes, the metergauge coach factory and furnishing unit of the Integral Coach Factory. Against the provision in the Plan, additional shipping tonnage likely to be acquired during the Plan will be about 1,80,000 GRT as against the initial target of 3,90,000 GRT. A Shipping Development Fund has recently been set up for financing the acquisition to the extent possible of additional tonnage in the remaining plan period. The handling capacity of the

ports is likely to be increased from 25 million tons to 33 million tons as envisaged in the Plan. The completion of the ports programme will be greatly helped by a loan of Rs. 20·67 crores which the World Bank has agreed to provide for the Madras and Calcutta Ports. Some shortfall in the achievement of the road construction target of 20,000 miles is anticipated since as against Rs. 246 crores allocated in the Plan, the amount likely to be provided is Rs. 219 crores.

5, *Social Services*

29. The achievement of targets in social services is dependent to a large extent on the ability of the States to raise sufficient resources. If the outlay on the Plan is reduced from Rs. 4800 crores to Rs. 4500 crores and the larger provisions required for industries and minerals are allowed, the allotment for social services will diminish from Rs. 945 crores to Rs. 810 crores. Details are given below:—

TABLE VI

(Rs. crores)

Head of Development	Five Year Plan Allocations (original)			Five Year allocations accrding to Planning Commission's Memorandum		
	Total	Centre	States	Total	Centre	States
1. Education . . .	307	95	212	275	68	207
2. Health	274	90	184	245	75	170
3. Housing . . .	120	47	73	84	20	64
4. Welfare of Backward Classes .	91	32	59	72	19	53
5. Rehabilitation . . .	90	90	..	90	90	..
6. Social welfare, Labour & Labour welfare and Educated unemployment schemes .	63	42	21	44	26	18
TOTAL . . .	945	396	549	810	298	512

Of this, the reduction proposed in the States is Rs. 37 crores and at the Centre Rs. 98 crores. The reduction of financial provisions for social services at the Centre implied smaller Central assistance,

so that the burden of financing social services falls to a somewhat greater extent on the States.

30. In its Memorandum the Planning Commission had indicated the likely effects of reduction in the Plan allotments in different fields, especially education, health and housing. In this connection, it may be of interest to note that in the first three years of the Plan progress in education has been more rapid than was earlier anticipated. The Plan envisaged that the number of additional pupils for whom school facilities will become available by March 1961, would be about 7·7 millions in the age group 6-11, 1·3 millions in the age group 11-14 and nearly 8 lakhs in the age group 14-17. It is anticipated that by the end of the current year, the additions achieved in these age groups may be of the order respectively of 6 millions, 800,000 and 75,000. Against the Plan target of 234,000 primary teachers, the likely increase over the first three years of the Plan is a little less than 200,000. To meet the growing demand for education and to provide a measure of opportunity for educated unemployed persons, it has been decided to introduce from 1958-59 a new scheme for the appointment of 60,000 additional primary school teachers of whom 15,000 are to be appointed in 1958-59, 20,000 in 1959-60 and 25,000 in 1960-61. The pace of elementary education, especially in rural areas, depends largely on the rate at which the supply of teachers is assured. To this extent, the recent decisions mentioned above will accelerate the advance of elementary education. In the field of technical education also, there has been significant progress. The allotment for technical education was raised from Rs. 48 crores to Rs. 57 crores. Targets for training engineering graduates and diploma holders were raised from 3,122 and 8,184 recommended by the Engineering Personnel Committee to 4,533 and 10,285 respectively. A number of existing institutions are being expanded and the eleven new engineering colleges to be established include the Higher Technological Institutes at Bombay, Madras and Kanpur.

6. *Employment and national income*

31. It was estimated in the Plan that as a result of the implementation of various programmes in the public and private sectors, employment outside agriculture might increase in the course of the plan period by about 8 million. If the outlay in the public sector were maintained at Rs. 4800 crores and private sector outlays were more or less according to the Plan, having regard to the increase in cost estimates, the employment potential outside agriculture would

be about 7 million. With outlay in the public sector at Rs. 4500 crores, the additional employment oportunities were estimated at 6·5 million. It appears from such calculations as can be made at present that about 2½ million persons may have secured employment so far in the non-agricultural sections of the economy. This suggests that since the commencement of the Plan, agriculture has had to absorb a larger proportion of the growth in the labour force than had been envisaged three years ago. The problem has been recently further accentuated by the difficulty of securing raw materials and imported components.

32. Since the preparation of the Planning Commission's Memorandum, an attempt has been made to assess the likely effects of the reappraisal of the Plan on the targets of national income. There are several factors affecting the growth of national income for which reliable forecasts are specially difficult to make on account of the uncertainties of agricultural production and developments in the unorganised sectors of the economy. It was visualised in the Plan that national income would increase by about 25% over the five year period, about a third of the increase being contributed by agriculture. Despite the difficulties which have been encountered, the period since the commencement of the Plan has been marked by high levels of public and private investment as well as of imports. These have stimulated growth, particularly in the non-agricultural sectors of the economy. In the reappraisal of the Plan, which has been attempted in the Planning Commission's Memorandum, on the whole the productive investments have not been affected to any great extent. On the other hand, levels of current production depend on the supply of raw materials, components etc. and the results of some of the investments under the Second Plan are not likely to be realised until the early years of the next Plan. On balance, it is anticipated that in the non-agricultural sectors the increase in national income may be close to the level suggested in the Plan. Whether national income as a whole will grow as anticipated in the Plan turns largely on the extent to which the targets of agricultural production as revised in 1956 are realised.

33. This resume could perhaps best conclude by referring to the main lesson to be drawn from the current reappraisal of the Plan. This has been stated in the following terms in the introduction to the Memorandum on the *Appraisal and Prospects of the Second Five Year Plan*:

> "The two years just ended have been a period of achievement as well as of strain. It is now seen that to fulfil a plan of

the magnitude of the Second Five Year Plan calls for an effort greater and more arduous than had been previously estimated, owing to unavoidable additional expenditures incurred in directions not originally envisaged and increases in internal and external prices.....If the goals now set out which are well within the capacity of the country, are to be fully achieved, it is imperative that there shall be a marked intensification of the efforts to increase agricultural production and to mobilise the internal resources of the country".

STATEMENT I—*Plan outlays for* 1959-61 *and* 1956-61 *according to*

Head of Development	Plan allocations (original)			Plan outlay	
	Total	Centre	States	Total	Centre
1	2	3	4	5	6
1. Agricultural Promotion.	82	10	72	40	4
2. Minor Irrigatioon	66	3	63	44	2
3. Land Development	22	5	17	11	3
Agriculture	*170*	*18*	*152*	95	9
4. Animal husbandry, dairying and milk supply	56	5·8	50	17	2
5. Forest and soil conservation	46	6	40	16	2
6. Fisheries	12	3·8	8	3	..
7. Warehousing, marketing and co-operation	47	4	43	18	2
8. Miscellaneous	10	0·6	9·5	3	..
Agricultural Programmes	*341*	*38*	*303*	*152*	*15*
9. N.E.S. & C. D. Programmes	200	12	188	87	2
10. Village panchayats	12	..	12	8	..
11. Local development works	15	15	..	14	14
I. *Agriculture and Community Development*	568	65	503	*261*	*31*
12. Multipurpose Projects*	..	..	..	146	7
13. Irrigation	381	..	381	111	..
14. Power	415	...	415	193	..
15. Flood control and border projects	95	95	..	27	27
16. Investigation and Research	9	9	..	2	2
17. Public cooperation in Irrigation schemes	1	1	..	..	..
18. Centre's share in D.V.C. @	12	..	12	..	..
II. *Irrigation and Power*	*913*	*105*	*808*	*479*	*36*
III. *Village and Small Industries.*	*200*	*80*	*120*	*91*	*48*
20. Large and Medium Industries	617	596	21	395	387
21. Mineral Development	73	71	2	25	25
IV. *Industries and Minerals*	*690*	*667*	*23*	*420*	*412*
22. Railways	900	900	..	539	539
23. Roads	246	82	164	127	40.
24. Road Transport	16·5	3	13·5	8	1

(Rs. Crores)

1956-59 Outlay 1959-61 in (Part A of Plan)			Total Outlay 1956-61 (Part A of Plan)			Outlay for 1956-61 (Part B of Plan)			
States	Total	Centre	States	Total	Centre	States	Total	Centre	States
7	8	9	10	11	12	13	14	15	16
..	36	50	5	45	90	9	81	(—)8	1	(—)9
	42	48	1	47	92	3	89	(—)26	..	(—)26
	8	8	1	7	19	4	15	3	1	2
	86	*106*	*7*	*99*	*201*	*16*	*185*	*(—)31*	*2*	*(—)33*
	15	16	2	14	33	4	29	23	1·8	21
	14	16	2	14	32	4	28	14	2	12
	3	6	3	3	9	3	6	3	0·8	2
	16	14	2	12	32	4	28	15	..	15
	3	3	1	2	6	1	5	4	(—)0·4	5·4
	137	*161*	*17*	*144*	*313*	*32*	*281*	*28*	*6*	*22*
	85	83	5	78	170	7	163	30	5	25
	8	4	..	4	12	..	12	..	..	..
	..	1	1	..	15	15	..	..	..	..
	230	*249*	*23*	*226*	*510*	*54*	*456*	*58*	*11*	*47*
	139	109	..	109	248	..	248	(—)248	..	(—)248
	111	77	..	77	188	..	188	193	..	193
	193	128	..	128	321	..	321	94	..	94
	..	20	20	..	47	47	..	48	48	..
	..	2	2	..	4	4	..	5	5	..
	..	0·2	0·2	..	0·2	0·2	..	0·8	0·8	..
	..	5	5	..	12	12	..	..	(—)12	12
	443	*341·2*	*27·2*	*314*	*820*	*63*	*757*	*93*	*42*	*51*
	43	*69*	*7*	*62*	*160*	*55*	*105*	*40*	*25*	*15*
	8	310	305	5	705	692	13	(—)88	(—)96	8
	..	60	58	2	85	83	2	(—)12	(—)12	..
	8	*370*	*363*	*7*	*790*	*775*	15	(—)100	*(—)108*	3
	..	361	361	..	900	900	..	..	..	..
	87	92	29	63	219	69	150	27	13	14
	7	2·5	0·8	1·7	10·5	1·8	8·7	6	1·2	4·

STATEMENT I—

Head of Development	Plan allocations (original)			Plan outlay	
	Total	Centre	States	Total	Centre
1	2	3	4	5	6
25. Ports and Harbours	45·5	43·5	2	29	27·5
26. Shipping	47·5	46	1·5	29	28·5
27. Inland Water Transport	3	3	..	..	..
28. Civil Air Transport	43	43	..	28	28
29. Other Transport	7	6	1	3	2
30. Post and Telegraph	63	63	..	31	31
31. Other Communications	4	4	..	2	2
32. Broadcasting	9	9	..	4	4
V. *Transport and Communications*	*1385*	*1203*	*182*	*800*	*703*
33. Education	307	95	212	109	27
34. Health	274	90	184	107·5	39·5
35. Housing	120	47	73	40·5	5·5
36. Welfare of Backward Classes	91	32	59	35	12
37. Social Welfare	29	19	10	7	5
38. Labour and Labour Welfare	29	18	11	8	4
39. Rehabilitation	90	90	..	53	53
40. Educated Unemployment Schemes	5	5	..	..	..
VI. *Social Services*	*945*	*396*	*549*	*360*	*146*
VII. *Miscellaneous*	*99*	*43*	*56*	*45*	*18*
GRAND TOTAL	4800	2559	2241	2456	1394

*Allocation for multipurpose projects has been distributed between Irrigation and

@Expenditure on Centre's share in D.V.C. is included under multipurpose projects.

Note.—Figures for States include Union Territories. Separate figures for the latter crores and Anticipated outlays for 1956-61 Rs. 60 crores.

Contd.

(Rs. Crores)

1956-59 Outlay 1959-61 in (Part A of Plan)				Total Outlay 1956-61 (Part A of Plan)			Outlay for 1956-61 (Part B of Plan)		
States	Total	Centre	States	Total	Centre	States	Total	Centre	States
7	8	9	10	11	12	13	14	15	16
1·5	16	16	..	45	43·5	1·5	0·5	..	0·5
0·5	27	26	1	56	54·5	1·5	(—)8·5	(—)8·5	..
..	0·5	0·5	..	0·5	0·5	..	2·5	2·5	..
..	15	15	..	43	43	..	..	..	..
1	2	2	..	5	4	1	2	2	..
..	20	20	..	51	51	..	12	12	..
..	1·5	1·5	..	3·5	3·5	..	0·5	0·5	..
..	2·5	2·5	..	6·5	6·5	..	2·5	2·5	..
97	*540*	*474*	*66*	*1340*	*1177*	*163*	*44·5*	*25·2*	*19·3*
82	166	41	125	275	68	207	32	27	
68	137·5	35·5	102	245	75	170	29	15	14
35	43·5	14·5	29	84	20	64	36	27	9
23	37	7	30	72	19	53	19	13	6
2	11	5	6	18	10	8	11	9	2
4	16	10	6	24	14	10	5	4	1
..	37	37	..	90	90	..	..	..	..
..	2	2	..	2	2	..	3	3	..
214	*450*	*152*	*298*	*810*	*298*	*512*	*135*	*98*	*37*
27	*25*	*12*	*13*	*70*	*30*	*40*	*29*	*13*	*16*
1062	2044	1058	986	4500	2452	2048	300	107	193

Power.

are as follows : Five Year Plan Allocations, Rs. 70 crores ; Anticipated outlays for 1956-59 Rs. 30

STATEMENT II

Increased provisions required for Industries and Minerals on the basis of discussions with the Ministries

(Rs. crores.)

Project	Revised Plan Provision originally suggested (Break-up of Rs. 790 crores)	Provision now proposed on the basis of discussions with the Ministries	Increase of 3 over 2
1	2	3	4
A. Large Industries			
Ministry of Steel, Mines and Fuel.			
Rourkela, Bhilai, Durgapur Steel Plants	495·0	495·00	..
Rourkela Fertiliser Factory	10·0	10·00	..
Alloy & Tool Steel	2·0	2·00	..
Mysore Iron & Steel Works	1·30	*	(—1·3)
South Arcot Lignite Project	45·0	46·50	1·50
Ministry of Commerce and Industry.			
Sindri Fertiliser Factory	8·40	10·00	1·60
Nangal Fertilisers	22·00	27·00	5·00
Heavy Electrical Plants	10·49	20·00	9·51
Hindustan Machine Tools	2·36	2·36**	..
D. D. T. Factories	0·98	1·00	0·02
Hindustan Cables	0·50	0·50	..
Hindustan Antibiotics	1·66	2·10	0·44
National Instruments Factory	0·65	0·65	..
Salt Development	0·78	1·60	0·82
Foundary/Forge Heavy Machinery Mining Machinery	24·00	25·00	1·00
Optical Glass	1·50	2·00	0·50
Raw Film Intermediates for dyes & drugs U. S. S. R. drug projects	4·00 4·00	15·00	7·00

*Now included under State Industrial Schemes.

** An additional provision of Rs. 1·2 crores is likely to be required for the foundary project and balancing equipment.

1	2	3	4
Loans to cotton & jute textiles and other industires	10·40	18·40	8·00
Loans to steel companies in private sector	..	12·07	12·07
Miscellaneous schemes of Ministry of Commerce and Industry	3·39	3·50	0·11
Direct loans to industries and investments in share capital of private undertakings	..	3·00	3·00
Power Plant for the Heavy Machinery Project	..	9·00	9·00
Ministry of Transport.			
Hindustan Shipyard	6·00	6·50	0·50
Ministry of Finance			
Industrial Finance Corporations	22·25	22·25	..
Security Paper Mills	0·40	0·40	..
Schemes of Ministry of Scientific and Cultural Affairs	15·00	22·46	7·46
State Industrial Schemes	12·94	13·37	0·43
TOTAL A.	705·00	771·66	66·66
B. *Mineral Schemes*			
Ministry of Steel, Mines and Fuel.			
Coal	28·37	40·00	11·63
Coal Washeries	9·84	9·84	..
Oil Exploration	11·34	19·94	8·60
Rupee Company	6·00	6·00	..
Pipline	8·00	8·00	..
Refineries	10·00	10·00	..
Coal Prospecting	3·31	3·31	..
G. S. I.	4·16		
I. B. M.	1·82	6·98	1·00
Development of Keriburu Ore Deposits		2·00	2·00
Stanvac Project	..	2·10	2·10
State Mineral Schemes	2·66	2·00	—0·66
TOTAL B.	85·50	110·17	24·67
Grand Total (A+B)	790·50	881·83	891·33

STATEMENT III

Changes in the cost estimates of principal industrial projects of the Central Government

(Rs. Crores)

	Plan Provision		Foreign Exchange	
	Original	Revised	Original	Revised
1. Rourkela	350·00	495·00	89·00	120·00
2. Bhilai			67·50	85·67
3. Durgapur			72·00	95·90
4. South Arcot Lignite Project	52·00	46·50	18·00	24·00
5. Sindri Fertilisers	7·00	10·00	4·80	6·00
6. Nangal Fertilisers	22·00	27·00	12·50	15·00
7. Hindustan Shipyard	9·80	6·50	0·72	0·72
8. Heavy Electrical Plant (1st Phase)	20·00	20·00	N.A.	6·00
9. Hindustan Machine Tools	2·00	2·36	0·45	0·45
10. D. D. T. Factories	1·00	1·00	0·85	0·85
11. Hindustan Cables	0·50	0·50	0·34	0·34
12. Hindustan Antibiotics	1·00	2·10	0·25	0·25
13. Rourkela Fertiliser Factory	8·00	10·00	12·00	7·00
14. Industrial Finance Corporation	13·50	22·25	..	..
15. N. I. D. C.	55·00	71·40	25·00	26·40
TOTAL	541·80	714·61	303·41	388·58

STATEMENT IV

List of 'core' projects

I. PUBLIC SECTOR

1. *Steel*:

(i) Rourkela Steel Plant;

(ii) Bhilai Steel Plant;

(iii) Durgapur Steel Plant; and

(iv) Mysore Iron & Steel Works (Ferro-silicon Expansion).

2. *Coal and Lignite*:

(a) National Coal Development Corporation Scheme

(i) Kathara.

(ii) Korba (Open cast).

(iii) Korba (inclines).

(iv) Gidi.

(v) Saunda.

(vi) Korea.

(vii) Existing State Collieries.

(b) Singareni Collieries.

(c) Coal Washeries.

(d) Neiveli Lignite Project (Mining part).

3. *Railway Development Programme (including the requirements of the Posts & Telegraphs Department in connection with the railway electrification programme).*

4. *Ports Development Programme*:

(i) Bombay.

(ii) Calcutta.

(iii) Madras.

(iv) Vishakhapatnam.

(v) Dredger Pool.

5. *Power Projects*:

(i) Korba Thermal Station (Madhya Pradesh).

(ii) Khaper-Kheda Akola Thermal Station Extensions (Bombay).

(iii) Hirakud Project (II stage) (Orissa).

(iv) Lakkavalli (Bhadra) Project (Mysore).

(iv) Bhakra Nangal H.E. Project (Punjab & Rajasthan).

(v) Bhakra Nangal H.E. Project (Punjab & Rajasthan).

(vii) Rihand Project (Uttar Pradesh).

(viii) Tungabhadra H.E. Scheme (Mysore).

(ix) Naramangalam H.E. Scheme (Kerala).

(x) Thermal Stations in Saurashtra region (Bombay).

(xi) Ganderbal & Mohra Power Stations (Jammu & Kashmir).

(xii) Power Transmission distribution and extension schemes (sub-stations equipment, conductors, switchgears, underground cables, steel for supports, ground water meters etc.).

II. PRIVATE SECTOR

1. *Steel*:

(i) Tata Iron & Steel Works.

(ii) Indian Iron & Steel Works

2. *Coal*:

STATEMENT V

List of Irrigation & Power projects on which the expenditure incurred during the first three years of the Plan will be comparatively small or nil

(Rs. lakhs)

State	Name of Project	Plan provision	Estimated outlay during 1956-59
	2	3	4
(A) *Irrigation*			
Andhra Pradesh	Vamsadhara	85	2
	Tungabhadra High Level Canal	300	10
Bihar	Sone Barrage & c.	500	56
	Chandan	60	7
	Subernrekha	60	..
Bombay	Kurnoor	260	27
	Ukai	750	100
	Narmada	225	..
Kerala	Pothudy	70	..
Madhya Pradesh	Jassaiya	57	1
	Tawa	400	13
	Barna	218	..
	Chandrakeshar	85	..
	Remodelling of Mahanadi Canal	200	37
Madras	Diversion of West flowing rivers to East	70	..
Mysore	Lumpsum Provision in Karnatak region such as Malaprabha etc.	100	..
	Kabbini	125	15
Orissa	Salki	52	9
	Salandi	250	26
	Salia	50	2
	Pipalpankha and Bhagua	65	..
Rajasthan	Gurgaon Canal	95	10
	Rana Partap sagar	50	5
	Banas	200	..
	Mahi	118	..
	Jakham	70	6

1	2	3	4
(B) *Power*			
Andhra Pradesh .	Devanoor Hydro-Electric Scheme	220	1
Assam . . .	Umtyngar Thermal Station . .	149	6
Bihar . . .	Barauni Thermal Station . .	294	42
Bombay . .	Koyna Sholapur Transmission Scheme	300	30
	Purna Hydro-Electric Scheme .	210	..
Kerala . .	Pambayar Hydro-Electric Project .	220	29
	Sholayar H.E. Project . . .	262	27
Madhya Pradesh .	Birsinghpur Thermal Station . .	493	40
	Chandni Bhusaval Transmission Line	53	5
	Rana Partap Sagar Dam Power House	205	..
Madras . .	Sandynallah Reservoir Scheme .	97	..
Rajasthan . .	Rana Partap Sagar Dam Power House	230	..
Uttar Pradesh .	Steam Station for Power Supply to Garhwal	100	..

STATEMENT VI

List of Industry and Transport projects of the Central Government on which little or no expenditure is expected to be incurred during the Second Plan.

(Rs. crores)

Name of Project	Plan Provision
1	2
(A) *Industry*	
Carbonised briquetting plant under the Neyveli Lignite Project	12·0
Security Paper Mill	4·0
Heavy Plate & Vessel Work	1·1
Heavy Machine Tools	5·0
Heavy Structural Shop	1·1
Mysore Iron & Steel Works (other than Ferro-Silicon Plant)	4·0
Marine Diesel Engines	3·0
Hindustan Shipyard Dry Dock	2·1
Synthetic Rubber	15·0
Newsprint from Bagasse	5·5
Basic Refractories	0·8
Rayon Grade pulp	8·6
Carbon Black	2·0
Tungsten Carbide	1·0
Aluminium plant at Salem	11·0
(B) *Transport*	
Railways	
Electrification schemes	
(*i*) Durgapur—Docks	12·6
(*ii*) Howrah—Kharagpur	6·8
New Lines	
(*i*) Guna—Ujjain	12·6
Integral Coach Factory—	
Furnishing Unit	2·6
Metre Gauge Coach Factory	6·6
Ports	
Bombay Port—	
(*i*) Minimum scheme for the Prince's and Victoria Docks	5·0
(*ii*) Dredging of the main Harbour Channel	5·0
Roads *	
(*i*) Pamban Bridge near Madras	1·0
(*ii*) Sone Bridge project in Bihar	2·0

*In regard to Road programmes, complete information is not yet available.